Dairy Situation

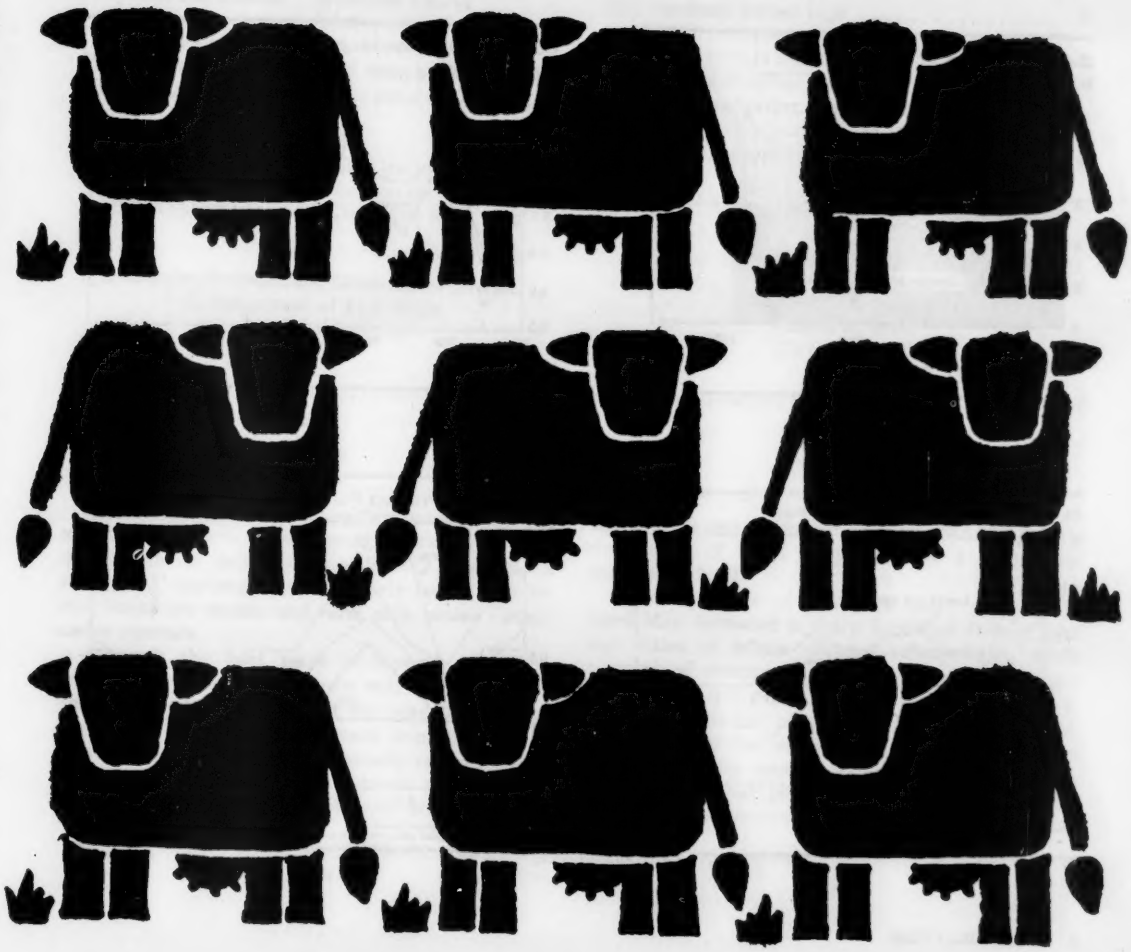
Economics, Statistics, and Cooperatives Service

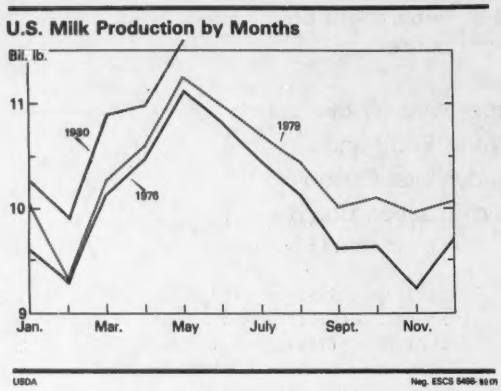
U.S. Department of Agriculture

DS-381

JULY 1980

Approved by the World Food and Agricultural Outlook and Situation Board





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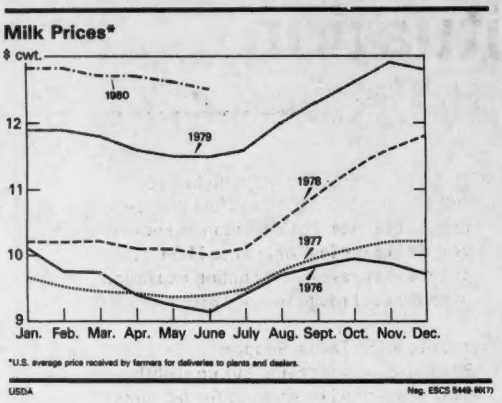

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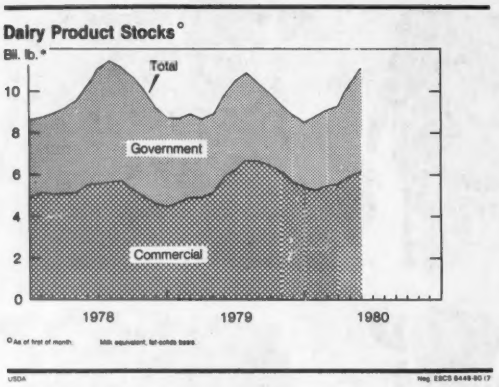

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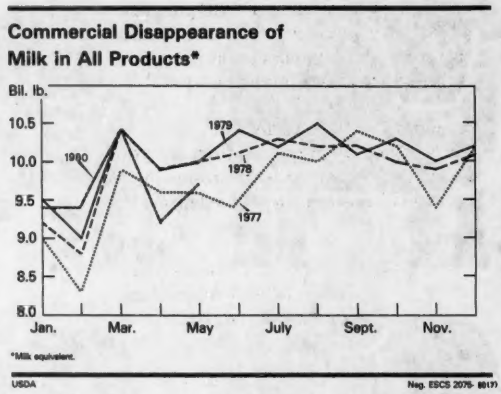

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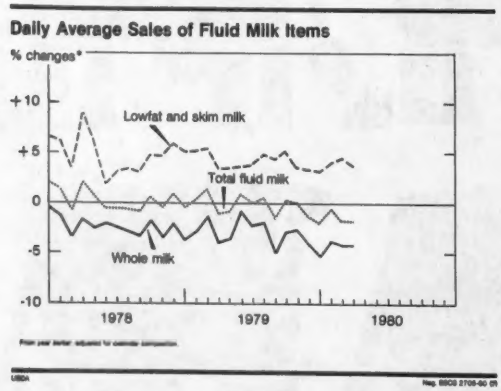

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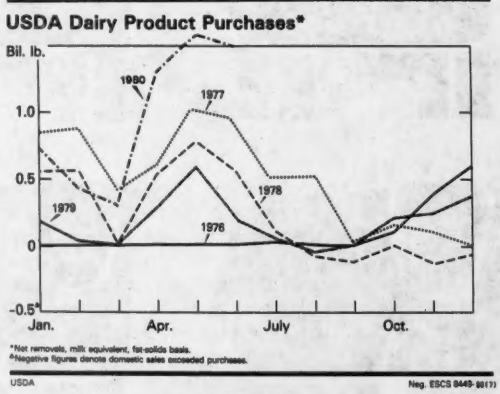

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SUMMARY

Supplies of milk and dairy products are being maintained at well above year-ago levels, while commercial use of dairy products is still weak. As a result, CCC purchases are extremely large, commercial stocks are ample, and farm milk prices remain under pressure.

Although the heat wave is hurting output in several States, milk production will continue above year-ago levels for the rest of the year, leaving production up 2-1/2 to 3-1/2 percent from 1979. Farm milk prices will strengthen seasonally and may reach support, however, little or no increase above support is expected. Thus, the farm all milk price will average 9 to 10 percent higher than the $12.00 per hundredweight of 1979, compared with a 13 percent increase in 1979.

Commercial use of milk and dairy products in April-May decreased a sharp 5 percent from a year ago. Sales of butter dropped substantially, while commercial disappearance of American cheese was down over 1-1/2 percent. An increase in unemployment, a reduction in consumer purchasing power, and relatively low meat prices contributed to the decline in dairy product sales. Given the current outlook for a weak general economy, relatively large supplies of alternative protein sources, and higher

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retail dairy product prices, commercial use likely will not match the record 1979 total of 120.4 billion pounds.

Milk production on a daily average basis for the first half of 1980 was 3.2 percent above 1979, a result of increased milk cow numbers and more milk per cow. The increased cow numbers continued to reflect a favorable milk-feed price relationship and relatively low utility cow prices. Increased output per cow resulted from heavier feeding of concentrates, also a function of favorable milk-feed price relationships. Milk production in June was up 4 percent from a year ago. Output was up for 25 of the 33 reporting Sates, including each of the five major producing States.

Milk production gains will continue for the rest of 1980 and possibly into 1981. With the expectation of relatively favorable milk-feed price relationships, causing milk cow numbers and output per cow to remain above a year ago, milk production will range 2 to 4 percent above a year ago in the third quarter and 1 to 3 percent higher in the fourth. A continuation of hot, dry weather in the Southwest, and several other States would reduce milk production. There has been some impact on production already in these States due to heat stress and declining forage conditions. But to date, there likely has been little impact on overall U.S. production, since the major dairy States have not been significantly affected.

Prices paid to farmers for milk have declined seasonally since January, reflecting the normal decline in fat content. The June all milk price at $12.50 per 100 pounds was up 8.7 percent from 1979. Manufacturing grade milk prices averaged $11.70 per hundredweight during June, 44 cents below support when adjusted for fat content, an improvement however, from shortfalls in April and May of 58 cents and 55 cents, respectively.

For the first half of 1980 cash receipts for milk were up 12-1/2 percent from a year ago. Larger marketings and higher prices contributing to the gain. For all of 1980, cash receipts will likely exceed $16-1/2 billion, compared with $14.7 billion in 1979. The index of prices paid by all farmers for production items increased 10.4 percent during first-half 1980 from a year ago.

By mid-July, wholesale prices of American cheese, butter, and nonfat dry milk still had not reached the equivalent of CCC purchase prices effective April 1. The June wholesale dairy product price index reported by the Bureau of Labor Statistics (BLS) was up 10.3 percent from last year. For second-half 1980, wholesale price increases from year-ago levels should abate, as wholesale dairy product prices will likely not advance until commercial stocks are reduced or demand picks up. However, wholesale prices will likely rise later this year after higher CCC purchase prices go into effect October 1.

The BLS retail dairy product index during May, was 11 percent higher than a year ago, as both higher farm value and larger marketing spreads contributed to higher dairy product prices. For all of 1980, retail dairy product prices will average between 9 and 11 percent above 1979.

Heavy raw milk supplies during April-May resulted in an 8 percent year-to-year gain in the quantity of milk used in manufacturing. American cheese output was up nearly 8 percent from last year, while production of other cheese types was down slightly. Butter manufacture increased by nearly a fifth.

Commercial stocks of dairy products on June 1 remained at high levels, although the amount above a year-ago has lessened in recent months. Industry holdings of American cheese were less than 1 percent above a year earlier, while butter stocks were 7 percent larger.

The dropoff in commercial use and high milk production levels resulted in huge CCC purchases of dairy products this spring. April-June government removals of 4.4 billion pounds milk equivalent were the largest quarterly total on record. CCC purchases during the 1979/80 marketing year will total more than 8 billion pounds milk equivalent and exceed $1 billion in value.

April-May dairy product imports on a milk equivalent basis declined by over a fifth from a year ago, and for the first five months of the year were down 12 percent. A large decrease in cheese imports outweighed gains in imports of most other dairy products during April-May. Commercial exports (milk equivalent) were up slightly for the first 5 months of 1980.

Milk production has continued to increase in the European Community (EC), but strong export demand and diversion of milk to cheese and dry whole milk manufacture has resulted in much lower intervention stocks of butter and nonfat dry milk. The EC, which previously suspended subsidies on nonfat dry milk used for animal feed, further reduced export refunds on butter and nonfat dry milk during June. Drought conditions adversely affected Australian output, while favorable forage conditions boosted New Zealand's output.

DAIRY SITUATION

SITUATION AND OUTLOOK

PRODUCTION

Milk Output Remains Substantial

Milk production during the first half of 1980 totaled 65 billion pounds, up 3.2 percent on a daily average basis from a year earlier. Output in June was 4 percent greater than last year, the 14th straight month that milk production has been above year-ago levels. The June production gain resulted from a 33 pound increase in output per cow and 74 thousand more milk cows than a year earlier.

The increase in milk cow numbers from year-ago levels (June was the fourth straight month of year-over-year gains) continues to reflect favorable milk-feed price relationships, relatively low utility cow prices, and few alternatives for dairy farmers. Also, at the beginning of this year the ratio of replacement animals per 100 cows in the milking herd was at an all-time high. The apparent influx of replacements and a reduced culling rate has expanded the dairy herd, with the result that cow numbers will likely remain above year-ago levels until later this year.

The increased output per cow reflects the continued favorable milk-feed relationships of the last year, as the 3.2 percent increase in output per cow in June was the 11th straight month of year-to-year gains of 3 percent or more. As expected with favorable milk-feed price relationships, dairymen on July 1 reported feeding 4.8 percent more grain and other concentrates than a year ago. The July increase follows a 4.5 percent gain in April and a 2.7 percent increase reported for January.

Milk production in the five major producing States in June was up 8.4 percent in California, followed by gains in output of 5.0 percent, 4.1 percent, 3.9 percent, and 1.8 percent in Wisconsin, Minnesota, Pennsylvania, and New York, respectively. Of the 33 reporting States, 12 reported production increases of 4 percent or more. On the other hand, 13 States had gains of less than 4 percent, with only 8 having output equal to or lower than year-ago levels.

U.S. milk production

Month	1979	1980	Change
	Million pounds		*Percent*
January	10,004	10,260	+2.6
February	9,317	9,917	+6.4
March	10,526	10,881	+3.4
April	10,600	10,941	+3.2
May	11,226	11,609	+3.4
June	10,973	11,409	+4.0
July	10,698		
August	10,439		
September	10,014		
October	10,108		
November	9,657		
December	10,061		
Total	123,623		

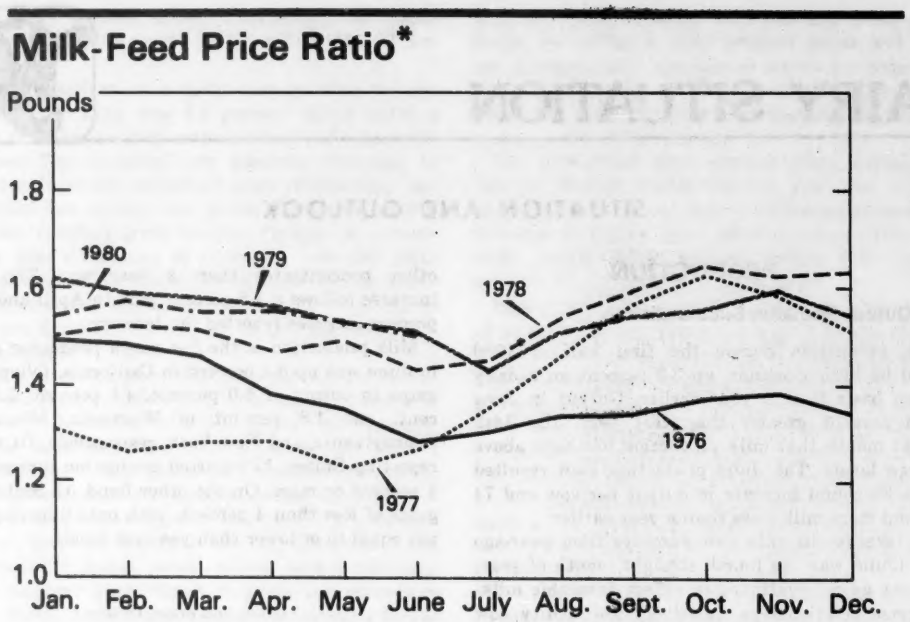
Utility cow prices, Omaha

Month	1978	1979	1980
	Dollars per cwt.		
January	27.59	47.33	47.94
February	29.45	50.81	51.22
March	32.44	52.94	48.80
April	36.94	57.00	45.73
May	39.21	55.51	42.78
June	37.61	50.60	44.06
July	38.09	47.80	
August	37.85	48.33	
September	39.75	49.65	
October	40.46	47.71	
November	39.30	46.49	
December	41.85	46.98	
Average	36.71	50.10	

Feed Prices To Increase

The June milk-feed price ratio was reported at a favorable 1.50, nearly equal to a year ago and above the 1970-79 average of 1.42. For the first half of 1980 the ratio has averaged 1.54, about the same as the average for all of 1979 (figure 7).

The average price of 16-percent protein dairy ration on June 15 was reported at $167 per ton, up a tenth ($15) from last year, and $2 above the May value. Meanwhile, prices of major feed ingredients in mid-June were down from a year ago. Soybean meal (44 percent protein, Decatur) was reported at $162 per ton, down a fourth from 1979, while No. 2 yellow corn at Chicago was quoted at $2.73 per bushel, down 3 percent from last year. However, since mid-June major feed ingredients prices have moved



*Pounds of 16% protein ration equal in value to one pound of milk sold to plants and dealers.

USDA

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Figure 7

higher, such that mid-July corn was over $3.10 per bushel while soybean meal exceeded $200 per ton.

Mid-June prices received by farmers for baled alfalfa hay averaged $71.30 per ton, up 13.5 percent ($8.50) from a year ago. Prices ranged from a low of $32 per ton in Michigan to a high of $104 per ton in Washington. In addition, news reports in late June and early July indicate that prices for hay in the Northern Plains and Lake States may be up substantially from year ago levels. Meanwhile, pastures nationwide were reported at a rating of 78 on July 1, just below average. However, conditions in the drought-stricken Northern Plains averaged 63.

Feed ingredient supplies for this fall should be large. Farmers planted 83.5 million acres of corn this year, 3.5 million above 1979, with total feed grain plantings at 120.8 million acres, an increase of 3.2 million acres. Soybean planted acres were reported to be down 1.3 million from last year. Although yields may not match last year's record levels, production of corn (feed grains) and soybeans are expected to be large. Meanwhile, production of hay will likely be down as all hay acres for harvest are down, 1.3 million from a year-ago.

Despite record corn supplies for 1979/80, corn prices are being bolstered by record exports and continued movement of grain into the farmer-owned reserve. In addition, should demand improve or the

Milk-feed price ratio[1]

Month	1978	1979	1980
	Pounds		
January	1.50	1.62	1.54
February	1.52	1.59	1.57
March	1.51	1.58	1.55
April	1.47	1.56	1.55
May	1.49	1.53	1.53
June	1.43	1.51	1.50
July	1.45	1.43	
August	1.54	1.51	
September	1.59	1.54	
October	1.64	1.55	
November	1.62	1.59	
December	1.63	1.54	
Average	1.53	1.54	

[1] Pounds of 16% protein ration equal in value to 1 pound of milk.

estimate of the forthcoming crop decline because of adverse weather, prices would increase further this year. Meanwhile, soybean meal prices are expected to average near year-ago levels for the rest of 1980. Thus, dairy ration costs for the rest of 1980 are expected to be up somewhat from present levels, reflecting the increased processing and marketing costs of feed, as well as some conceivable feed ingredient price increases.

Production To Continue Year-to-Year Gains

The milk production expansion is expected to continue for the rest of 1980, and possibly into 1981, as present favorable price and income conditions are expected to continue. Even though feed prices have risen, milk prices will move up seasonally. Thus, milk-feed price relationships should remain advantageous to continued heavy concentrate feeding rates, resulting in continued gains in output per cow.

Dairy cow numbers continue to display an unusual pattern. In June, cow numbers were reported above the January level, the first time since 1953. Unless pasture conditions decline substantially, or cull cow prices improve, cow numbers for all of 1980 likely will average above the 1979 number of 10,777,000.

On balance, production gains will continue for the rest of this year and possibly for the first half of 1981. Third quarter production may range up 2 to 4 percent, while the fourth quarter may be up 1 to 3 percent. Thus, for all of 1980, production could increase over 1979 by 2-1/2 to 3-1/2 percent. It is possible, therefore, that production could exceed the previous record-high of 126.97 billion pounds in 1964. However, a continuation of hot, dry weather in the Southwest and several other States would reduce milk production. There has been some impact on production already in these States due to heat stress and declining forage conditions. But to date, there likely has been little impact on overall U.S. production, since the major dairy States have not been significantly affected.

PRICES AND INCOME

Farm Milk Prices Below Support

Prices paid to farmers for milk have declined since January, reflecting the normal decline in fat content, seasonally increased production, and lower Class I use. In June, farmers received an average $12.50 per hundredweight for all milk, down 30 cents from January. However, after adjusting for fat test, the all milk price has improved slightly (7 cents) since January. In contrast with a year ago, the June all milk price was reported up 8.7 percent, while the June 1979 price was 15 percent greater than 1978.

Manufacturing grade milk prices averaged $11.70 per hundredweight during June, up 8.3 percent from last year, but some 44 cents below support when adjusted for fat content. That shortfall from support, although reduced, follows April and May prices that were also below support by 58 cents and 55 cents, respectively. However, after adjusting for butterfat content, manufacturing grade milk prices in June averaged 34 cents higher than in January, reflecting the support price increase. Although the flush milk production season has ended, manufacturing milk supplies are expected to continue to exceed a weak dairy product demand. Thus, the upward movement of manufacturing grade prices toward support will likely be slow in the next few months. The scheduled October 1 increase in the support price will add upward pressure on manufacturing grade milk prices.

Minimum Class I prices in Federal order markets will average $13.78 per 100 pounds of milk during August, up 2 cents from July, equal to the June level and up about 7 percent from a year ago. Meanwhile, Class I prices negotiated by cooperatives have held relatively stable the last few months. The estimated average over-order payment dropped from 64 cents per hundredweight in May to 58 cents during June. Class I minimum prices will increase slowly over the next several months as the Minnesota-Wisconsin price for manufacturing grade milk, the basic mover for Federal order prices gradually adjusts upward to support.

With milk production likely to continue above year-ago levels during the rest of 1980 and little expected improvement in demand, only seasonal strengthening in farm milk prices can be expected. In addition, the current stocking patterns suggest that there is not going to be any bolstering in prices due to demand for building inventories, as was the case in 1979. However, some improvement in prices

Milk prices received by farmers

Month	All sold to plants			Manufacturing grade		
	1978	1979	1980	1978	1979	1980
	Dollars per 100 pounds					
January. . . .	10.20	11.90	12.80	9.17	10.90	11.80
February . . .	10.20	11.90	12.80	9.21	10.80	11.70
March.	10.20	11.80	12.70	9.27	10.80	11.80
April	10.10	11.60	12.70	9.30	10.80	11.80
May.	10.10	11.50	12.60	9.26	10.80	11.70
June	10.00	11.50	12.50	9.24	10.70	11.70
July.	10.10	11.60		9.28	10.80	
August	10.50	12.00		9.62	11.10	
September . .	10.90	12.30		9.96	11.40	
October . . .	11.30	12.60		10.50	11.60	
November . .	11.60	12.90		10.80	11.70	
December . .	11.80	12.80		10.90	11.70	
Average . .	10.60	12.00		9.65	11.10	

might be forthcoming later this year after the CCC purchase prices for products are raised October 1 as required by current legislation. Thus, on balance, the all milk price for all of 1980 likely will average 9 to 10 percent higher than the $12.00 per hundredweight of 1979.

Gross Dairy Income Up

Cash receipts for milk during the second quarter posted a year-to-year increase of 13 percent. For the first half of 1980, gross income rose by 12-1/2 percent from a year ago, with both expanded marketings and higher prices contributing to the gain. For all of 1980, cash receipts will likely exceed $16-1/2 billion, compared with $14.7 billion in 1979.

The index of prices paid by all farmers for production items during April-June increased by 8-1/2 percent from last year, compared with a 12-1/2 percent rise during the first-quarter of 1980. Increases from a year earlier for the feed component of the index decelerated this spring to 5.3 percent, versus a nearly 10-percent increase during January-March. Thus, since feed costs are about half of total costs, it appears net incomes to dairy enterprises so far in 1980 have been higher than the relatively favorable conditions of the last two years. With milk prices only expected to strengthen seasonally, if feed prices rise substantially from a year ago, net incomes may be less favorable during July-December.

According to a study by USDA, it cost U.S. farmers an average of $10.50 to produce a hundredweight of milk during 1979, after allowing for returns from cull cow and calf sales. The preliminary cost estimate was $1.16 (12.4 percent) higher than 1978. Meanwhile, receipts per 100 pounds increased from $10.52 in 1978 to $11.99 in 1979, a gain of $1.47 (14 percent). Thus, returns to the farmer's labor, management, and risk increased from a $1.18 per 100 pounds of milk production in 1978 to $1.49, an increase of 26 percent. For 1980, costs are projected to be $11.33 per hundredweight, while receipts may be $13.22 per 100 pounds, with returns to the farmer's labor, management, and risk $1.89 per 100 pounds, up 26 percent.

Little Improvement in Wholesale Prices

By mid-July, wholesale prices of American cheese, butter, and nonfat dry milk still had not reached the CCC purchase prices effective April 1. Typically, market prices of butter and cheese during a surplus milk situation will be below the CCC purchase prices due to added costs of selling to the Government. These additional costs include special packaging (barrel cheese), inspection and grading, and the longer time required for receiving payments. These differences between market and CCC purchase prices are approximately one cent per pound. Mid-July prices of 40-pound blocks of American cheese (Wisconsin assembly points) were quoted at $1.305 per pound, 2 cents below support, while 500-pound barrels were reported near $1.26 per pound, 3-1/2 cents below the CCC purchase price (figure 8). Grade A wholesale butter prices at Chicago stood at almost $1.39 per pound, shy of the purchase price by 1-1/2 cents, while prices of nonfat dry milk (high heat, Central States area) were noted to be 88.5 cents per pound, more than a penny below support.

Edible dry whey prices (nonhygroscopic, Central States area) were reported in mid-July near 10 cents per pound, unchanged from the year-ago level, but down 1-1/4 cents from January as whey stocks and production remain ample for demand.

The domestic casein market has recently been inactive, awaiting price announcements by the principal world suppliers of New Zealand, Australia, and Ireland. By mid-July, New Zealand had announced a price increase of 38 cents to $1.29 per pound, a 42-percent gain from a year ago, while Ireland set their prices 20 cents higher than New Zealand. Meanwhile, the edible lactose market is tight as production is near capacity and inventories are light. As a result, prices at 31 cents per pound have improved 1-1/2 cents since January and 4 cents over year-ago levels.

The June wholesale dairy product price index, as reported by the Bureau of Labor Statistics (BLS), was 229.9 (1967=100), up 10.3 percent from last year. However, as an indication of the recent price stability within wholesale dairy markets, the index has increased only 5.3 percent since September 1979, compared with an increase of 8.0 percent during the same period a year earlier. Year-over-year increases in wholesale dairy prices should abate during the second half of this year. If American cheese demand picks up, there could be some sales of cheese back to the industry, however the 105 percent sellback policy would cap any substantial price runup. In addition, the required October 1 increase in the support price for milk will put upward pressure on wholesale prices later this year.

Retail Price Increases To Moderate

After a slowing in retail dairy product price increases last winter, prices began to accelerate this spring. Both the higher farm value of milk and increased marketing spreads contributed to the higher dairy product prices. However, the proportion of the increase in retail prices due to the farm value of milk has lessened in 1980.

During the second half of 1980, dairy product prices at the grocery store will likely continue to rise, but at a slower rate than the average monthly year-to-year increase of 11.6 percent in 1979. Milk

Wholesale Dairy Product Prices

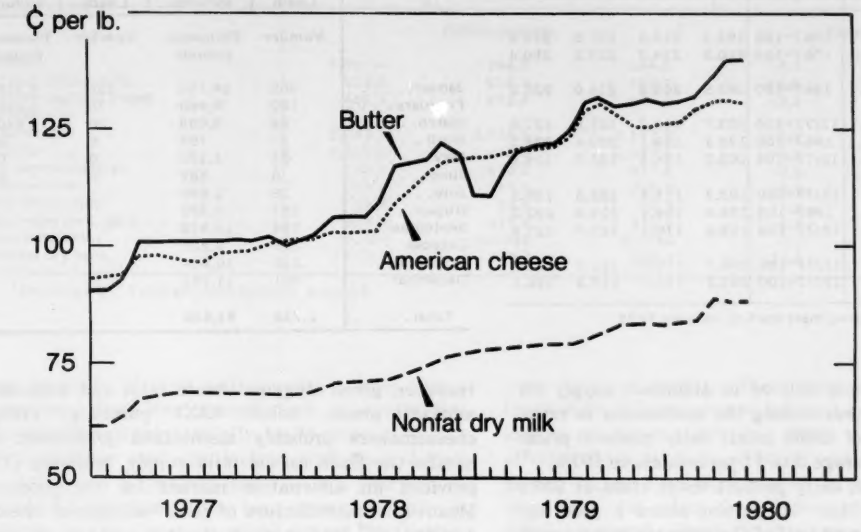

Figure 8

Retail Food and Dairy Product Prices

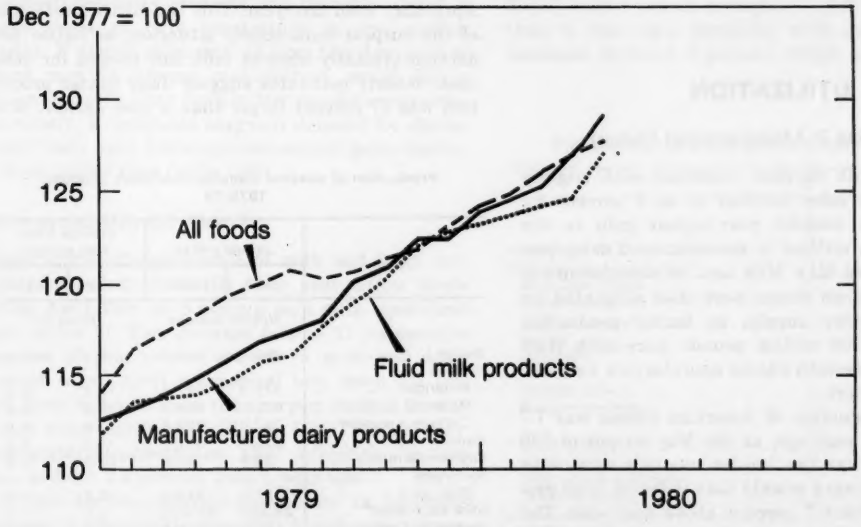

Figure 9

Retail dairy product prices

Item	Index base	May 1978	May 1979	Nov. 1979	May 1980
Consumer Price Index[1]	1967=100	193.3	214.1	227.5	244.9
All food[1]	1967=100	210.3	234.3	239.1	250.4
All dairy products[1]	1967=100	183.5	203.8	216.0	226.2
Fluid milk and cream	12/77=100	103.7	114.7	121.9	127.0
Whole milk	1967=100	170.1	188.1	200.4	208.5
Other	12/77=100	103.2	114.3	123.5	125.9
Manufactured dairy products	12/77=100	103.7	115.8	122.3	129.1
Butter	1967=100	174.4	199.4	214.4	222.2
Cheese	12/77=100	103.2	116.3	122.7	127.8
Frozen desserts	12/77=100	104.7	115.2	121.4	131.9
Other	12/77=100	103.1	112.7	117.8	126.1

[1] For all urban consumers starting January 1978.

Wisconsin out-of-state milk shipments

Month	1979		1980	
	Loads	Volume	Loads	Volume
	Number	*Thousand pounds*	*Number*	*Thousand pounds*
January	302	14,194	156	7,332
February	180	8,460	70	3,290
March	64	3,008	20	940
April	17	799	0	0
May	24	1,128	0	0
June	6	282	0	0
July	36	1,692		
August	157	7,379		
September	294	13,818		
October	175	8,225		
November	232	10,904		
December	251	11,797		
Total	1,738	81,686		

and dairy products will be in abundant supply for the rest of the year, aiding the moderation in retail prices. For all of 1980, retail dairy product prices probably will average 9 to 11 percent above 1979.

The BLS retail dairy product index stood at 226.2 (1967=100) in May, 11 percent above a year ago (figure 9). Just over half of the increase was a result of the higher farm value of milk. The increase in retail dairy product prices compares with a 5-1/2 percent rise in the prices of all foods during May.

Thus far in 1980, processed dairy product prices have generally risen faster than fluid milk prices with respect to a year ago. Butter and ice cream price gains have been the sharpest, while cheese prices have gone up the least.

UTILIZATION

Substantial Gains in Manufactured Output

Heavy raw milk supplies combined with slightly lower fluid milk sales resulted in an 8 percent (or nearly 1 billion pounds) year-to-year gain in the quantity of milk utilized in manufactured dairy products during April-May. Milk used in manufacture of butter and American cheese more than accounted for the extra available supply, as butter production absorbed about 700 million pounds more milk than last year and American cheese manufacture took 300 million pounds more.

April-May production of American cheese was 7.7 percent above a year ago, as the May output of 230 million pounds was the largest monthly total ever recorded. Preliminary weekly data indicate June production to be about 7 percent above last year. The relatively large output increase this spring occurred in spite of the slow demand for American cheese. However, given sluggish cheese sales and wholesale market prices below CCC purchase prices, cheesemakers probably maintained production to handle the flush season milk supply, realizing CCC provided an alternative market for the product. Meanwhile, manufacture of other varieties of cheese during April-May was up about 1 percent, in contrast with strong production gains of over 8 percent during first-quarter 1980. The tapering in production of cheese other-than-American during April-May was in response to weakened sales during that period. Among the more important varieties, Swiss and Mozzarella cheese production posted year-to-year gains of 1-1/2 and 1/2 percent, respectively.

Butter production was 19 percent larger during April-May than last year. This is a further reflection of the surplus milk supply situation, as butter production typically absorbs milk not needed for other uses. Weekly estimates suggest June butter production was 17 percent larger than a year earlier. With

Production of selected manufactured dairy products, 1978-79

Item	January-May		Change from year earlier	
	1979	1980[1]	1979	1980[1]
	Million pounds		*Percent*	
Butter	466.5	532.1	-5.9	+14.1
Cheese:				
American	925.9	987.1	+3.3	+6.6
Other	621.1	654.8	+6.0	+5.4
Cottage, creamed	357.0	353.6	-3.8	-1.0
Canned milk	336.4	312.7	+2.1	-7.0
Dry whole milk	38.4	34.4	+10.0	-10.4
Ice cream (Mil. gal.)	322.2	327.5	+0.8	+1.6
Milk equivalent[2]	28,250	30,415	-1.3	+7.7
Nonfat dry milk	379.0	486.4	-11.5	+28.3

[1] Preliminary. [2] Total all reported manufactured products.

Table 1—Production of selected manufactured dairy products, 1977-79

Item	1977	1978	1979[1]	Change from year earlier	
				1978	1979
	Million pounds			*Percent*	
Butter	1,085.6	994.3	984.6	-8.4	-1.0
From whole milk	619.2	514.9	508.2	-16.8	-1.3
From residual cream	466.4	479.4	476.4	+2.8	-0.6
Cheese:					
American	2,043.1	2,074.2	2,187.7	+1.5	+5.5
Other	1,315.5	1,445.5	1,527.6	+9.9	+5.7
Creamed cottage	878.0	870.5	837.8	-0.9	-3.8
Canned milk	794.9	787.9	796.1	-0.9	+1.0
Dry whole milk	69.4	74.6	85.3	+7.5	+14.3
Ice cream (mil. gal.)	809.8	815.4	811.1	+0.7	-0.5
Milk equivalent[2]	67,068	65,945	67,484	-1.7	+2.3
Nonfat dry milk	1,106.6	920.4	908.7	-16.8	-1.3

[1] Preliminary. [2] Total all manufactured products.

large amounts of skim milk available from butter production, April-May manufacture of nonfat dry milk was also up substantially, by 24 percent.

Among other products, lactose production during April-May was 47 percent larger than a year ago, as demand for the product has been strong, partially in response to the runup in sugar prices. Dry buttermilk output posted a 23 percent year-to-year gain, consistent with the large butter output during the period. Meanwhile, April-May dry whole milk production was down by nearly a third from a year ago, due to a slow demand. Total dry whey production decreased about 8 percent from last year.

With milk production likely to remain significantly above year-earlier levels through the summer, manufactured dairy products will probably absorb a larger share of milk marketings in the coming months. If cheese sales pick up from the slow pace of recent months, cheese manufacture would likely draw some milk away from butter-powder operations. Conversely, a continued stagnant demand for cheese would likely keep butter-powder output gains similar to those posted thus far in 1980.

Commercial Use Off Sharply

Commercial disappearance of milk and dairy products dropped dramatically from year-earlier levels during April-May, by 5 percent on a milk equivalent basis (table 2). This decrease follows 11 consecutive quarters of year-to-year growth in milk and dairy product sales. April commercial use, down 7.3 percent from last year, was the sharpest decline for any month since early 1977 (figure 10). Through May, commercial disappearance, after adjusting for leap year, is down 2.2 percent from a year ago.

Several factors probably contributed to the sharp decrease in commercial use. The long-forecast recession hit hard during April-May, as the unemployment rate rose swiftly. That, along with still relatively high inflation rates, led to a substantial erosion in consumer purchasing power which adversely affected dairy sales. In addition, retail dairy product prices during April-May posted larger year-to-year rises than did prices for all foods. Meat prices at retail averaged about 3-1/2 percent below year-earlier levels this spring, compared with an average gain of 10-1/2 percent for dairy products. Consequently, consumers may have substituted relatively low-priced pork and poultry for some cheese in their purchase mix.

A substantial portion of the drop in dairy sales during April-May was due to a 24 percent year-to-year decline in commercial use of butter (table 3). Retail butter prices averaged 11-1/2 percent higher than a year ago, compared with margarine price increases of about 4 percent, which probably contri-

Changes in January-May dairy sales from year earlier

Item	Change
	Percent
Total milk[1]	-1.5
Manufactured products:	
American cheese	-1.4
Other cheese	+5.0
Cottage cheese[2]	+0.5
Butter	-8.2
Ice cream	+1.6
Ice milk	-4.4
Canned milk	-10.0
Nonfat dry milk	-16.5
Fluid products	[3] -1.1
Whole milk	[3] -4.4
Skim and lowfat milk	[3] +3.8
Cream and mixtures	[4] +2.8

[1] On a milk equivalent, fat-solids basis. [2] Creamed and low-fat. [3] January-April. [4] January-March.

Table 2--Commercial disappearance: Total milk, annual and by quarters, 1978-80 1/

Item	1978	1979					1980 2/				
		By quarters				Annual	By quarters				Annual
		1st	2nd	3rd	4th		1st	Apr.-May	3rd	4th	
		Billion pounds									
Production	121.6	29.8	32.8	31.2	29.8	123.6	31.1	22.6			
Farm use	2.7	.6	.6	.6	.6	2.5	.6	.4			
Marketings	119.0	29.2	32.2	30.6	29.2	121.1	30.5	22.2			
Beginning commercial stocks	4.9	4.5	4.9	6.4	6.6	4.5	5.4	5.6			
Imports	2.3	.4	.5	.6	.9	2.3	.4	.2			
Total supply	126.2	34.1	37.6	37.6	36.7	127.9	36.3	28.0			
Ending commercial stocks	4.5	4.9	6.4	6.6	5.4	5.4	5.6	6.2			
Net removals	2.7	.2	1.1	4/	.8	2.1	1.5	2.9			
Commercial disappearance Actual	118.9	28.9	30.2	30.8	30.4	120.4	29.2	18.8			
Percent change 3/	+2.4	+2.1	+ .8	+ .6	+1.4	+1.2	5/-0.1	-5.1			

1/ Milk equivalent, fat solids basis. Totals may not add due to rounding.
2/ Preliminary.
3/ From year earlier using unrounded data.
4/ Less than 50,000 pounds.
5/ On a daily average basis.

Table 3--Commercial disappearance: Selected dairy products, United States, annual 1970-79, quarters, 1979-80 1/

Year and quarter	Butter 2/	Cheese		Nonfat dry milk	Canned Milk	Frozen products 4/
		American 3/	Other			
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. gal.
1970	898.2	1,398.0	909.1	983.2	1,213.8	1,097.3
1971	847.1	1,454.8	987.0	981.8	1,186.9	1,102.4
1972	885.4	1,595.7	1,127.8	919.2	1,102.6	1,108.6
1973	855.6	1,677.1	1,210.2	1,110.1	1,056.7	1,118.6
1974	929.9	1,780.6	1,276.5	809.9	999.5	1,128.0
1975	951.0	1,717.1	1,331.9	697.0	923.9	1,183.9
1976	919.0	1,920.9	1,458.0	719.2	899.0	1,154.0
1977	859.8	1,958.8	1,512.3	682.2	775.2	1,167.6
1978	903.5	2,064.7	1,655.5	658.4	776.1	1,173.5
1979	895.0	2,110.9	1,730.7	603.1	773.7	1,152.9
1979 - 1st	248.3	515.2	384.8	166.3	198.8	250.5
2nd	203.0	541.6	428.8	117.2	162.3	323.6
3rd	202.1	510.0	440.4	197.3	185.9	339.4
4th	241.6	543.5	476.9	122.2	226.6	239.4
1980 - 1st	249.5	508.6	419.3	158.7	177.4	251.3
Apr.-May	102.4	341.5	282.3	40.9	100.4	205.1
3rd						
4th						
	1979-80 percent change					
1st 5/	- 0.9	- 2.5	+ 7.9	-6.2	-11.8	- .8
2nd	-24.1	- 1.7	- .4	-43.8	- 8.6	- .2
3rd						
4th						

1/ Totals may not add due to rounding. 2/ Imports include butter equivalent of butteroil. 3/ Imports include Colby cheese; stocks do not include processed cheese. 4/ Excludes Mellorine. 5/ On a daily average basis.

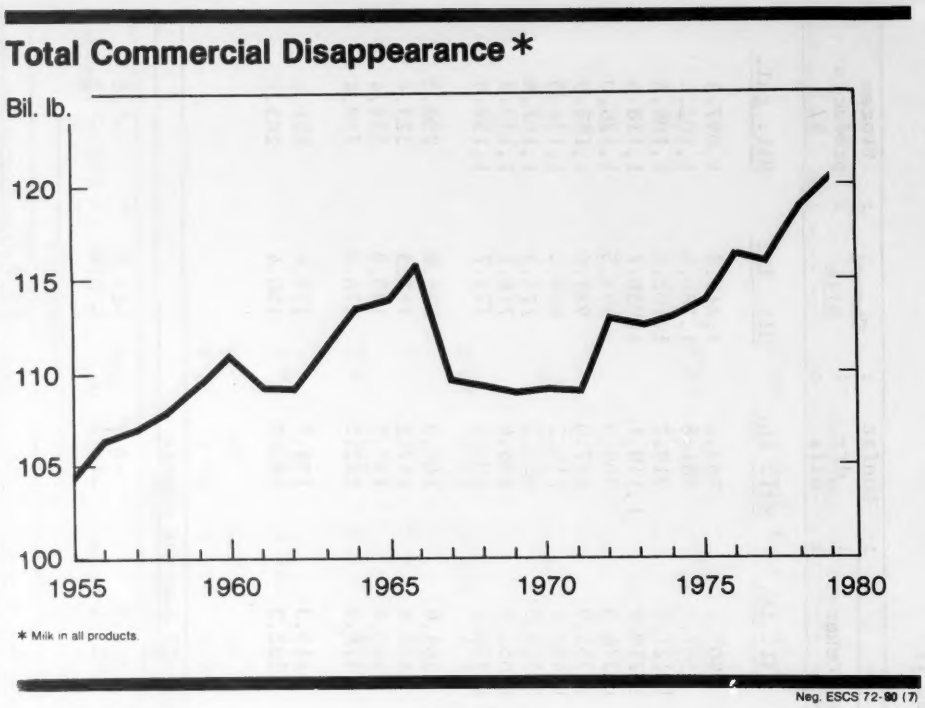

Figure 10

buted to lackluster grocery store butter sales. The generally weakened economy may have also decreased demand for butter for ingredient usage and for the hotel and restaurant trade. A final factor in the decline in butter sales was a result of butter printers and other wholesale buyers purchasing large quantities of butter before the higher support purchase prices became effective April 1, thereby limiting demand for filling the commercial pipeline in subsequent months.

During April-May, commercial disappearance of American cheese was 1.7 pecent under a year ago, after being 3 percent below during the first quarter. Sales of other varieties of cheese during April-May decreased slightly by 0.4 percent from last year, constrasted with the strong 8 percent gain made during the first three months of the year. Commercial disappearance of other-than-American varieties of cheese may have been weakened due to increased use of imitation cheese by the pizza industry.

Commercial disappearance of nonfat dry milk during April-May was 44 percent below last year's low levels. The slow sales can partially be attributed to a weak demand for nonfat dry milk as an ingredient in other products. Also high carrying costs resulted in buyers purchasing powder only for immediate replacement needs rather than adding to stock levels.

Fluid milk sales declined slightly less than 1 percent during April-May. Of the soft manufactured products, lowfat cottage cheese sales posted a year-to-year increase of over a tenth, while creamed cottage cheese sales were down about 1 percent. Sales of ice cream were up 1 percent.

It now appears unlikely that commercial use of dairy products will match the 1979 record-high of 120.4 billion pounds. Commercial disappearance would have to average 1-1/2 percent above year-earlier levels for the remainder of the year to match last year. The current economic outlook of relatively high unemployment and reduced spendable income will probably preclude such gains. In addition, although meat prices will likely average above year-ago levels during the second half of the year, dairy product year-to-year price rises will be greater. The scheduled October 1 increase in the milk support price and CCC purchase prices would boost dairy product prices, which would also tend to limit sales. Dairy product sales could be more buoyant if there's a return to the long term trend of increased cheese use.

Table 4--Milk and dairy product sales (domestic disappearance, commercial sources) total and per capita, selected years, United States, 1970-79 1/

Year	Fluid milk product sales					Butter	Cheese			Evaporated and condensed	
	Fluid whole milk	Cream 2/	Low-fat milk 3/	Total product weight	Whole milk equivalent 4/		Whole and part skim milk 5/		Cottage cheese 6/	Whole milk	Skimmed milk
							American	Other			
	Total										
	Million pounds										
1970	42,956	1,067	10,289	54,312	51,998	902	1,393	892	1,060	1,349	1,016
1971	42,108	1,076	11,485	54,669	51,853	878	1,452	971	1,108	1,303	1,039
1972	41,851	1,093	12,826	55,770	53,227	861	1,573	1,110	1,133	1,236	980
1973	40,443	1,130	14,062	55,635	52,413	846	1,661	1,193	1,103	1,194	894
1974	38,358	1,143	14,815	54,316	50,514	917	1,771	1,267	992	1,154	732
1975	38,256	1,175	16,558	55,989	51,123	948	1,692	1,317	1,006	1,097	761
1976	37,061	1,189	17,710	55,960	51,505	932	1,912	1,446	1,025	1,046	783
1977	35,638	1,199	18,988	55,825	51,383	860	1,912	1,493	1,032	915	854
1978	34,937	1,214	19,813	55,965	51,223	894	2,050	1,627	1,039	885	772
1979 7/	33,995	1,231	20,689	55,915	51,421	923	2,116	1,703	1,010	895	748
	Per capita 8/										
	Pounds										
1970	214	5.3	51.3	271	259	4.4	6.8	4.4	5.2	6.6	5.0
1971	207	5.3	56.5	269	255	4.3	7.0	4.7	5.4	6.3	5.0
1972	204	5.3	62.5	272	259	4.1	7.6	5.3	5.4	5.9	4.7
1973	195	5.5	67.9	269	253	4.0	7.9	5.7	5.3	5.7	4.3
1974	184	5.5	70.9	260	242	4.3	8.4	6.0	4.7	5.5	3.5
1975	181	5.6	78.5	266	243	4.4	8.0	6.2	4.7	5.1	3.6
1976	174	5.6	83.3	263	242	4.3	8.9	6.7	4.8	4.9	3.6
1977	166	5.6	88.4	260	240	4.0	8.8	6.9	4.8	4.2	3.9
1978	161	5.6	91.5	259	237	4.1	9.4	7.5	4.8	4.1	3.5
1979 7/	156	5.6	94.6	256	235	4.2	9.6	7.7	4.6	4.1	3.4

Year	Frozen products				Dry products				
	Ice cream	Ice milk	Sherbet	Other	Mello-rine	Whole milk	Nonfat dry milk	Butter-milk	Whey 9/
	Total								
	Million pounds								
1970	3,656	1,577	318	40	249	43	960	51	294
1971	3,676	1,582	317	47	232	32	958	55	319
1972	3,685	1,599	325	53	218	24	853	48	377
1973	3,714	1,604	346	70	191	21	1,056	39	384
1974	3,753	1,629	325	56	166	15	839	44	453
1975	4,015	1,643	316	66	144	16	668	44	477
1976	3,928	1,574	322	64	112	33	743	38	527
1977	3,887	1,694	324	72	90	34	698	59	530
1978	3,914	1,705	312	77	78	56	640	50	543
1979 7/	3,893	1,632	293	72	75	66	692	42	597
	Per capita 8/								
	Pounds								
1970	17.9	7.7	1.6	0.2	1.2	0.2	4.7	0.3	1.5
1971	17.8	7.7	1.5	.2	1.1	.2	4.6	.3	1.6
1972	17.7	7.7	1.6	.3	1.0	.1	4.1	.2	1.8
1973	17.7	7.6	1.6	.3	.9	.1	5.0	.2	1.8
1974	17.8	7.7	1.5	.3	.8	.1	4.0	.2	2.1
1975	18.8	7.7	1.5	.3	.7	.1	3.1	.2	2.2
1976	18.3	7.3	1.5	.3	.5	.2	3.5	.2	2.5
1977	18.0	7.8	1.5	.3	.4	.2	3.2	.3	2.5
1978	17.9	7.8	1.4	.4	.4	.3	2.9	.2	2.5
1979 7/	17.7	7.4	1.3	.3	.3	.3	3.1	.2	2.7

1/ Excludes milk used on farms where produced and distribution from USDA supplies; includes sales to the Armed Services for use in the United States.
2/ Includes milk and cream mixtures.
3/ Includes skim milk, buttermilk, flavored milk drinks, and yogurt.
4/ Fat solids basis.
5/ Excludes cottage cheese.
6/ Includes full-skim American.
7/ Preliminary.
8/ Based on resident population, except fluid milk product sales--based on estimated population using fluid products from purchased sources.
9/ Includes modified whey products starting 1975.

Fluid Sales Steady in 1979

Sales of fluid milk and cream (product pound basis) totaled almost 56 billion pounds in 1979, nearly the same as in 1978 (tables 6 and 7). This continues the flat sales trend prevalent since 1975, which has resulted in slowly but steadily declining per capita sales.

Sales per person of fluid milk and cream were 256 pounds during 1979, down nearly 3 pounds from 1978 and 16 pounds from 1969. An increase in sales of cream and specialty items only partially offset a decline in milk beverage sales (table 8, figure 11).

The longrun tendency toward greater lowfat milk consumption away from whole milk use continued in 1979, as per capita sales of lowfat milk were up 3 pounds, while whole milk sales declined by 5 pounds. Per person sales of skim milk, which has exhibited no trend in the last two decades, increased last year from 1978. Meanwhile, per capita sales of flavored drinks declined for the second year in a row, while popularity of buttermilk continued to wane.

Cream sales per person were down slightly in 1979, mainly due to lower sales of half-and-half and light cream items. Per capita sales of eggnog and heavy cream in 1979 matched 1978 sales.

Among cultured products, per capita sales of yogurt, which experienced tremendous growth through the 1970's, declined slightly in 1979, the first decrease on record. Meanwhile, sales per person of sour cream and dips increased. Since 1970, sales of sour cream have risen by two-thirds.

Commercial Stocks Large

Although commercial dairy product stocks remained at high levels on June 1, the relative amount above last year's levels has lessened in recent months. Industry holdings of milkfat on June 1 were 5 percent larger than a year earlier, down from 24 percent on January 1. Stocks of solids-not-fat were 13 percent above a years ago, compared with 193 percent at the beginning of 1980. Seasonal rebuilding of stocks between January 1 and June 1 absorbed the equivalent of 0.2 billion pounds less milk this year than last year when commercial dairy holdings were being rebuilt from relatively low levels.

On June 1, industry stocks of American cheese were less than 1 percent more than last year; they had been 6 percent above year-earlier levels on May 1. This relative decline in stocks is due to weak

Changes in Fluid Product Sales Per Capita, 1974 to 1979

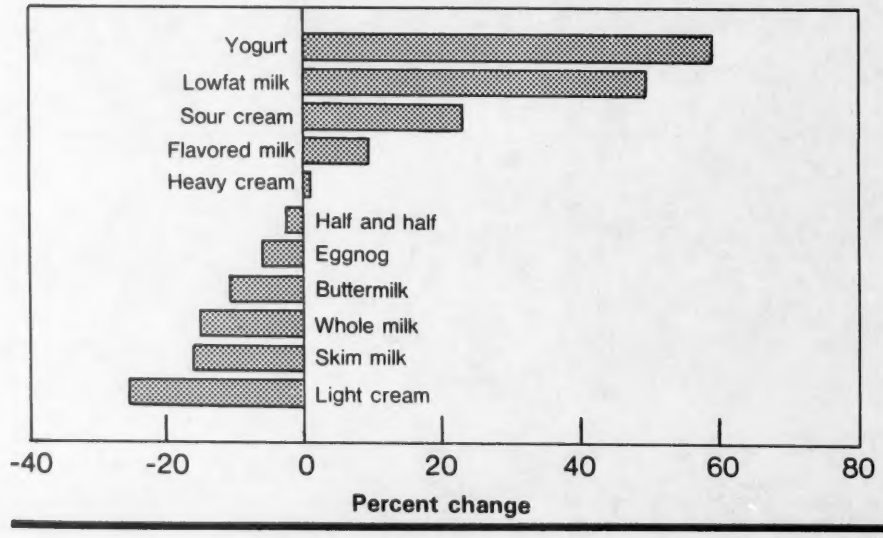

Figure 11

Table 5--Sales of individual fluid products as a proportion of average daily fluid milk sales, all Federal order markets, 1965, 1970, and 1975-1979

Fluid items	1965 1/	1970	1975	1976	1977	1978	1979
				Percent			
Whole milk 2/	83.7	76.1	65.6	63.4	61.1	59.8	58.4
Flavored whole milk	2.6	2.5	2.6	2.7	2.7	2.5	2.3
Total whole milk items	86.3	78.6	68.2	66.1	63.8	62.3	60.7
Low-fat (2%) milk	4/	12.1	21.4	22.8	24.4	26.0	27.5
Plain	4/	3.3	11.6	14.3	15.8	18.0	20.4
Solids added	4/	8.8	9.8	8.5	8.6	8.0	7.1
Skim milk	8.6	4.3	4.2	4.3	4.5	4.4	4.5
Plain	2.8	1.1	1.7	1.9	2.1	2.3	2.7
Solids added	5.9	3.2	2.5	2.4	2.4	2.1	1.8
Buttermilk	5/ 2.0	1.9	1.8	1.8	1.8	1.7	1.6
Yogurt	---	.3	.7	.8	1.0	1.0	.9
Flavored milk drinks	.7	.8	1.5	2.0	2.4	2.4	2.5
Total skim and low-fat milk item 3/	11.3	19.4	29.6	31.7	34.1	35.5	37.0
Milk and cream mixtures	1.3	1.1	.9	.9	1.0	.9	1.0
Light cream	.4	.2	.2	.2	.1	.2	.2
Heavy cream	.3	.2	.2	.2	.2	.2	.2
Sour cream	.3	.4	.6	.6	.7	.7	.7
Total cream items 3/	.9	.8	1.0	1.0	1.0	1.1	1.1
Eggnog	.1	.2	.2	.2	.2	.2	.2
Total fuild milk and cream 3/	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1/ Excludes New York-New Jersey market.
2/ Includes whole milk equivalent of small quantity of concentrated milk.
3/ Totals may not add due to rounding.
4/ Included with skim milk.
5/ Includes small quantities of yogurt and cultured specialties.

Table 6--Sales of individual beverage milk products, United States, 1954-79

Year	Plain whole milk	Lowfat milk	Skim milk	Filled and imitation milk	Flavored milk and drinks	Buttermilk	Total
				1,000 pounds			
1954	38,604,960	34,240	961,460	0	1,070,850	1,218,300	41,889,810
1955	39,915,940	50,030	1,046,750	0	1,146,650	1,236,580	43,395,950
1956	41,277,190	66,510	1,182,590	0	1,188,750	1,195,880	44,910,920
1957	42,217,840	80,540	1,351,600	0	1,162,660	1,184,010	45,996,650
1958	42,382,790	192,410	1,491,710	0	1,180,050	1,159,810	46,344,770
1959	42,548,300	284,540	1,648,330	0	1,189,280	1,151,930	46,822,380
1960	42,999,350	389,180	1,830,140	0	1,200,250	1,139,730	47,558,650
1961	42,606,330	600,960	1,977,610	0	1,278,160	1,092,480	47,555,540
1962	43,039,510	840,020	2,078,490	0	1,343,060	1,159,920	48,461,000
1963	43,749,260	1,170,690	2,227,840	0	1,489,730	1,171,890	49,809,410
1964	44,205,430	1,605,890	2,336,180	0	1,570,800	1,166,260	50,884,560
1965	44,512,450	2,056,550	2,368,030	0	1,646,860	1,155,750	51,739,640
1966	44,671,870	2,769,740	2,097,370	3,100	1,720,380	1,155,030	52,417,490
1967	43,218,510	3,550,750	2,077,110	45,600	1,662,250	1,139,350	51,693,570
1968	42,705,970	4,427,400	2,207,370	163,610	1,757,620	1,142,030	52,404,000
1969	41,934,850	5,396,130	2,320,250	153,620	1,748,690	1,146,670	52,700,210
1970	41,511,710	6,162,570	2,378,400	122,490	1,762,900	1,134,950	53,073,020
1971	40,595,920	7,287,010	2,345,370	108,580	1,870,720	1,149,350	53,356,950
1972	40,252,266	8,277,310	2,608,977	96,610	2,001,614	1,156,468	54,393,245
1973	38,849,170	9,189,215	2,949,038	81,339	2,044,324	1,075,229	54,188,315
1974	36,908,055	9,778,193	2,970,078	74,503	2,083,346	1,015,804	52,829,979
1975	36,924,145	11,703,142	2,528,589	56,804	2,122,585	1,031,831	54,367,096
1976	35,668,574	12,621,789	2,555,072	44,783	2,364,493	1,035,401	54,290,112
1977	34,300,201	13,572,542	2,638,795	39,563	2,525,214	1,016,373	54,092,688
1978 1/	33,634,352	14,458,172	2,576,094	36,398	2,484,403	995,981	54,185,400
1979 2/	32,837,947	15,268,994	2,634,139	34,067	2,390,442	952,425	54,118,014

1/ Revised. 2/ Preliminary.

Table 7--Sales of individual cream and specialty products, United States, 1954-79

Year	Half-and-half	Light cream	Heavy cream	Sour cream and dips	Imitation sour cream	Yogurt	Eggnog	Total
				1,000 pounds				
1954	559,400	372,880	209,530	96,980	0	14,960	32,170	1,285,920
1955	604,820	351,750	205,860	100,520	0	16,850	36,250	1,316,050
1956	652,330	335,470	207,180	105,980	0	18,760	36,200	1,355,920
1957	687,560	304,070	202,100	113,490	0	21,160	38,080	1,366,460
1958	722,050	283,770	193,730	123,730	0	25,630	42,790	1,391,700
1959	748,800	264,130	183,740	136,810	0	38,330	45,850	1,417,660
1960	795,500	250,070	177,940	154,440	0	44,130	45,840	1,467,920
1961	805,960	231,360	169,190	163,310	0	48,580	46,080	1,464,480
1962	785,090	220,110	173,700	175,330	0	45,520	49,610	1,449,360
1963	773,140	192,740	167,720	184,280	0	50,440	49,420	1,417,540
1964	759,870	175,020	162,190	172,480	0	53,020	47,140	1,369,720
1965	749,180	162,420	157,210	178,750	0	60,640	48,770	1,356,970
1966	732,230	143,770	148,420	186,100	30	70,030	52,290	1,332,870
1967	687,040	125,000	138,620	182,520	730	90,230	50,440	1,274,580
1968	661,880	101,930	127,200	186,900	1,640	123,520	57,750	1,260,820
1969	632,170	90,500	113,450	189,830	1,680	168,960	56,920	1,253,510
1970	593,420	75,980	112,310	222,600	1,750	171,570	61,330	1,238,960
1971	560,910	66,610	112,490	251,320	1,910	236,290	82,640	1,312,170
1972	552,962	57,208	116,925	268,269	1,660	284,036	96,326	1,377,386
1973	559,614	80,470	121,576	276,126	N.A.	317,934	92,018	1,447,738
1974	528,760	84,107	118,559	315,840	N.A.	343,225	95,443	1,485,934
1975	525,198	89,325	121,480	358,080	N.A.	445,435	81,900	1,621,418
1976	538,385	77,248	130,986	355,106	N.A.	481,707	86,857	1,670,289
1977	541,159	68,482	127,518	366,969	N.A.	533,549	94,292	1,731,969
1978 1/	544,409	71,370	124,304	379,577	N.A.	565,434	94,586	1,779,680
1979 2/	545,085	66,641	125,053	400,366	N.A.	566,237	93,735	1,797,117

1/ Revised. 2/ Preliminary.

Table 8--Per capita sales of selected fluid milk items, 1954-79

Year	Plain whole milk	Lowfat milk	Skim milk	Flavored milk and drinks	Butter-milk	Yogurt	Eggnog	Half-and-half	Light cream	Heavy cream	Sour cream and dips
					Pounds						
1954	262.44	0.23	6.54	7.28	8.28	0.10	0.22	3.80	2.53	1.42	0.66
1955	264.69	.33	6.94	7.60	8.20	.11	.24	4.01	2.33	1.37	.67
1956	267.17	.43	7.65	7.69	7.74	.12	.23	4.22	2.17	1.34	.69
1957	266.02	.51	8.52	7.33	7.46	.13	.24	4.33	1.92	1.27	.72
1958	260.66	1.18	9.17	7.26	7.13	.16	.26	4.44	1.75	1.19	.76
1959	255.24	1.71	9.89	7.13	6.91	.23	.28	4.49	1.58	1.10	.82
1960	250.87	2.27	10.68	7.00	6.65	.26	.27	4.64	1.46	1.04	.90
1961	243.19	3.43	11.29	7.30	6.24	.28	.26	4.60	1.32	.97	.93
1962	240.85	4.70	11.63	7.52	6.49	.25	.28	4.39	1.23	.97	.98
1963	240.38	6.43	12.24	8.19	6.44	.28	.27	4.25	1.06	.92	1.01
1964	238.56	8.67	12.61	8.48	6.29	.29	.25	4.10	.94	.88	.93
1965	236.52	10.93	12.58	8.75	6.14	.32	.26	3.98	.86	.84	.95
1966	234.13	14.52	10.99	9.02	6.05	.37	.27	3.84	.75	.78	.98
1967	223.70	18.38	10.75	8.60	5.90	.47	.26	3.56	.65	.72	.94
1968	218.56	22.66	11.30	8.99	5.84	.63	.30	3.39	.52	.65	.96
1969	212.11	27.29	11.74	8.85	5.80	.85	.29	3.20	.46	.57	.96
1970	207.14	30.75	11.87	8.80	5.66	.86	.31	2.96	.38	.56	1.11
1971	199.88	35.88	11.55	9.21	5.66	1.16	.41	2.76	.33	.55	1.24
1972	196.07	40.32	12.71	9.75	5.63	1.38	.47	2.69	.28	.57	1.31
1973	187.50	44.35	14.23	9.87	5.19	1.53	.44	2.70	.39	.59	1.33
1974	176.68	46.81	14.22	9.97	4.86	1.64	.46	2.53	.40	.57	1.51
1975	175.16	55.52	12.00	10.08	4.89	2.11	.39	2.49	.42	.58	1.70
1976	167.77	59.37	12.02	11.12	4.87	2.27	.41	2.53	.36	.62	1.67
1977	159.98	63.30	12.31	11.78	4.74	2.49	.44	2.52	.32	.59	1.71
1978 1/	155.35	66.78	11.90	11.48	4.60	2.61	.44	2.51	.33	.57	1.75
1979 2/	150.22	69.85	12.05	10.94	4.36	2.59	.43	2.49	.30	.57	1.83

1/ Revised. 2/ Preliminary.

Dairy product stocks

Item	June 1 1978	June 1 1979	June 1 1980
	Million pounds		
Commercial:			
Butter	52.4	48.5	51.8
American cheese	371.6	415.2	418.1
Other cheese	69.3	87.5	108.4
Nonfat dry milk	87.2	110.1	139.8
Milkfat	192.1	209.1	219.9
Solids-not-fat	238.6	280.4	316.8
Milk equivalent	5,454	5,941	6,197
Government:			
Butter	212.3	191.2	223.1
American cheese	37.3	2.3	27.2
Nonfat dry milk	600.9	414.5	367.3
Milkfat	182.9	154.6	188.4
Solids-not-fat	589.6	399.4	361.7
Milk equivalent	4,752	3,971	4,877

USDA dairy purchases[1]

Item	January-June		
	1979	1980	Change
	Million pounds		*Percent*
Butter	59.7	198.0	+231.7
American cheese	3.5	181.0	*
Nonfat dry milk	120.9	345.5	+185.8
Evaporated milk	9.0	7.1	-21.1
Milk equivalent	1,288	5,893	+357.5

[1] Delivery basis. *More than 1,000.

demand and wholesale prices below support purchase price levels, which has resulted in large quantities of product being sold to the Commodity Credit Corporation rather than placed in commercial channels. Commercial stores of other varieties of cheese on June 1 exceeded those of a year ago by 24 percent, compared with 35 percent on January 1.

Butter commercial stocks were 7 percent more than last year on June 1, after being two-thirds higher than a year earlier on January 1. The decrease in the relative amount that butter stocks exceeded the previous year's level can be attributed to the substantial stock buildup during first-half 1979.

Among dry products, manufacturers' stocks of nonfat dry milk on June 1 were up 27 percent from a year ago. Meanwhile, dry whole milk holdings were down a third, which is in line with a generally decreased demand and lower production levels. Dry whey (human food) stocks and lactose stocks were 6 and 12 percent, respectively, below year-earlier levels on June 1.

Because of the extensive buildup in commercial dairy product stocks during May-June 1979, it is quite likely stock levels will fall below year-earlier levels this summer. In addition, the depressed demand for dairy products, high storage costs and the CCC 105 percent of market price sellback policy will limit the incentive for holding relatively large stock levels to service commercial demand.

CCC Purchases Record High

Drastically weakened commercial sales of dairy products this spring along with high milk production levels have resulted in record large purchases of dairy products by the CCC. April-June dairy product removals totaled 4.4 billion pounds milk equivalent, the largest quarterly total in the history of the price support program. Purchases of 1.6 billion pounds milk equivalent during May were the most for a single month since June 1962. Through June, the Government has removed the equivalent of 5.9 billion pounds of milk from the market, or 2-3/4 times more than all of 1979. For the 1979-80 marketing year, CCC purchases of dairy products will likely total more than 8 billion pounds milk equivalent and exceed $1 billion in value.

With the large increase in butter production and sharp drop in commercial butter use this spring, the CCC purchased 157 million pounds during April-June, bringing first-half purchases to 180 million pounds, 3-1/3 times more than for the comparable period last year. May purchases of 60.8 million pounds were the largest monthly total since June 1962. Nonfat dry milk removals for the first 6 months of 1980 totaled 346 million pounds, up 185 percent from last year, while April-June purchases were up about 120 percent. Cheesemakers cleared 181 million pounds of cheese to CCC during January-June, compared with 3.5 million pounds last year. The slackened commercial sales of American cheese have contributed to the high level of cheese purchased by CCC, but the bulk of the removals were due to the very high levels of American cheese production this spring.

In coming months, CCC dairy product purchases will taper seasonally. However, the quantities of product will probably exceed the low removals of last year, when a tighter supply-demand balance existed. In general, CCC removals for the remainder of the year will depend on the relative strengths of milk production and commercial disappearance.

With the high storage cost this year, and the current 105 percent sellback policy by CCC, it's possible manufacturers (especially cheesemakers) may have sold more product to the Government than they would have under different credit conditions and CCC policies. With commercial stocks of American cheese near year-earlier levels on June 1 and the likelihood that commercial holdings will fall below last year's during the summer, any year-to-year increase in American cheese sales could cause a

shortage in commercial inventories. This, in turn, could lead to some sellback of cheese to the industry by CCC. Given the current stocks and sales situation, it is unlikely any butter or nonfat dry milk will be sold back to the industry this year.

July 1 CCC uncommitted inventories of butter were up 61 percent from a year ago to 292 million pounds. Government holdings of nonfat dry milk, totaling 526 million pounds, were 10 percent above a year-earlier. July 1 uncommitted stocks of American cheese were 161 million pounds, compared with 6 million pounds last year.

Uncommitted CCC stocks

Item	June 30	
	1979	1980
	Million pounds	
Butter	180.7	291.5
American cheese	6.1	161.4
Nonfat dry milk	478.2	526.0

FOREIGN DAIRY TRADE AND TRENDS

Imports Remain Below a Year Earlier

U.S. imports of dairy products continued to run below last year, as April-May milk equivalent imports decreased more than a fifth from a year ago. January-May imports on a milk equivalent basis totaled nearly 592 million pounds, or 12 percent less than for the similar period of 1979 (table 9).

Imports of cheese subject to quota posted a year-to-year decline of 29 percent during April-May. Imports of Swiss and American-type cheeses declined from year-earlier levels by nearly a third and 7 percent, respectively. Meanwhile, Italian cheese imports were up over a fifth this spring. Imports of quota cheeses through May were generally below year-earlier levels, except for Edam and Gouda. Imports of these two cheeses were nearly a third larger than a year ago. Imports of nonquota cheeses during April-May were about two-thirds larger than last year. The decline in total cheese imports during April-May (off a fifth from 1979) was probably due in part to weak economic conditions in the United States.

Of the other products subject to quota, April-May imports of butter, butterfat mixtures, frozen cream, chocolate crumb (a chocolate-butterfat mixture), and animal feeds with milk solids were all markedly above those of last year. The quota for butteroil was filled by the end of May.

U.S. dairy trade (milk equivalent)

Year and quarters	Imports		Exports	Shipments[1]
	Cheese	Other		
	Million pounds			
1979				
1st	251	133	98	150
2nd	432	44	90	167
3rd	517	34	74	143
4th	829	65	100	160
Year[2]	2,028	276	362	620
1980				
1st	224	142	108	135
Apr.-May	199	26	60	[3]51

[1] To U.S. territories. [2] May not add due to rounding. [3] April.

April-May imports of lactose, which is not subject to quota, were twice as large as a year ago, which underscores the current strong demand for milk sugar in the United States. Thus far in 1980, lactose imports are 185 percent larger than for the comparable period last year. Imports of casein, the other dairy product not subject to quota, were off 9 percent from a year ago during April-May, but the total for January-May of 65.1 million pounds was 3 percent greater than last year.

Imports of most varieties of cheese will probably continue to be below year-earlier levels for the rest of the year. Slackened consumer purchasing power will limit demand for the generally more expensive foreign cheeses. In addition, high carrying costs will restrain any building of stock levels by importers. With worldwide sugar prices expected to remain high, the recent surge in lactose imports will likely continue. Meanwhile, the relative strength of the U.S. dollar versus European currencies will probably impact on the level of casein imports.

Milk equivalent exports during January-May were about 5 percent more than last year, after being up a tenth during the first quarter. Exports so far this year of butter, cheese, and lactose were higher, while canned milk and dry whole milk exports were lower. Milk equivalent shipments to U.S. territories were down 12 percent for the first four months of 1980 relative to a year earlier.

EC Production Up; Stocks Down

European Community (EC) milk production this year through April was up about 2 percent on a daily average basis from last year. With cow numbers close to year-earlier levels, the output gain can be attributed to larger production per cow. The largest gains in production have occurred in France and West Germany, the two largest producing nations in the EC. The increased supplies of milk have been

Table 9--Dairy Products: U.S. imports, quota and non-quota, total 1979, and January-May, 1979-80 1/

Product	Calendar year quota	1979 imports	May			Cumulative, January-May		
			1979	1980	1980 as a % of 1979	1979	1980	1980 as a % of 1979
	Thousands pounds				Percent	Thousand pounds		Percent
Cheese, quota types								
American-Cheddar	12,205.3	10,257	753	994	132	3,207	1,448	45
-Other	7,545.4	7,707	361	130	36	1,449	290	20
Italian-Original loaves	12,374.4	6,695	600	600	100	2,780	2,556	92
-Other	1,550.0	997	33	85	258	369	425	115
Edam and Gouda-Natural	9,208.6	8,559	713	789	111	1,833	2,289	125
-Processed	3,151.3	1,283	10	76	760	34	177	521
Blue Mold	5,469.6	4,335	469	376	80	914	1,031	113
Swiss-Emmenthaler 2/	70,228.1	75,329	5,904	3,756	64	20,507	16,685	81
-Gruyere process 2/	15,597.2	18,642	972	592	61	3,246	3,908	120
Other-Over 0.5% fat 3/	90,192.1	88,626	4,392	3,733	85	20,351	9,294	46
-Under 0.5% fat 3/	12,621.1	4,869	34	218	641	81	409	505
Total	240,143.1	227,299	14,241	11,350	80	54,771	38,512	70
Cheese, non-quota types								
Other cow's milk cheeses 4/		---	---	816	---	---	4,928	---
Miscellaneous 5/		1,261	99	45	45	420	263	63
Pecorino		18,400	1,025	1,456	142	5,077	7,147	141
Roquefort		1,328	163	69	42	310	554	179
Total		20,989	1,287	2,387	185	5,807	12,892	222
Total cheese, Quota and Non-quota	240,143.1	248,289	15,527	13,737	88	60,577	51,404	85
Other quota products								
Butter	707.0	6/ 809	62	45	73	215	170	79
Butteroil	1,200.0	1,200	---	---	---	1,200	1,200	100
Butterfat mixtures	2,580.0	2,545	229	497	217	711	1,180	166
Ice cream	3,377.3	2,497	---	---	---	1,911	1,150	60
Frozen cream	12,540.0	12,315	1,673	---	---	8,449	7,995	95
Nonfat dry milk	1,807.0	6/ 2,178	202	590	292	1,175	6/ 3,008	256
Dried buttermilk and whey	496.0	317	---	---	---	---	179	---
Evaporated milk	1,312.0	1	---	---	---	---	1	---
Condensed milk	4,079.0	383	---	---	---	198	176	89
Chocolate crumb-Regular	21,409.0	11,651	375	1,326	354	3,729	6,298	169
-Lowfat	4,680.0	3,446	758	---	---	1,337	168	13
Animal feed with milk solids	16,300.0	15,695	225	1,218	541	2,791	6,324	227
Non-quota products								
Casein		150,827	12,413	15,232	123	63,350	65,148	103
*Lactose		1,983	156	155	99	534	1,527	286
Milk equivalent, fat solids basis, total all products	1,305,620	2,304,681	155,834	122,914	79	672,726	591,763	88

1/ Preliminary. 2/ 1979 imports include Swiss-types which were not subject to quota prior to January 1, 1980. 3/ 1979 imports include cheeses which prior to January 1, 1980 were not subject to quota. 4/ Primarily soft, ripened cheeses. No applicable comparison to prior years. 5/ Gjetost, Bryndza, Gammelost, and Noekkelost, and Goya. 6/ Probable error in reported data.

Table 10--Dairy products: U.S. imports, 1970-79

Product	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979 1/
					Thousand pounds					
Cheese										
American-Cheddar	9,720	9,324	9,516	20,010	106,999	10,600	7,984	9,337	10,748	10,257
-Other	5,969	7,624	5,957	8,430	5,098	6,033	6,241	6,407	7,037	7,707
Total American	15,689	16,948	15,473	28,440	112,097	16,633	14,225	15,744	17,785	17,964
Italian-Original loaves	6,617	6,458	10,802	10,524	8,985	10,173	11,067	9,803	8,994	6,695
-Other	674	852	1,350	1,517	1,185	1,232	1,442	1,343	1,317	997
Total Italian	7,291	7,310	12,152	12,041	10,170	11,405	12,509	11,146	10,311	7,692
Edam and Gouda-Natural	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	8,524	8,251	8,601	8,559
-Processed	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	499	1,064	3,079	1,283
Total Edam and Gouda	11,799	10,127	10,146	11,596	9,373	9,207	9,023	9,315	11,680	9,842
Blue Mold	4,766	4,485	4,434	5,994	5,016	4,564	4,593	3,354	5,505	4,335
Swiss-Emmenthaler, "pricebreak" and over 2/	22,762	21,809	30,366	24,725	51,158	36,279	48,499	45,494	59,647	55,691
-Emmenthaler, under "pricebreak" 2/	3,592	2,508	3,206	24,875	12,647	10,473	12,435	14,133	14,032	19,638
-Gruyere-process, "pricebreak" and over 2/	10,800	8,937	9,882	5,703	9,018	5,322	6,741	5,881	8,329	7,616
-Gruyere-process, under "pricebreak" 2/	3,149	2,662	2,904	9,936	6,285	6,829	8,690	9,399	10,607	11,026
Total Swiss	40,303	35,916	46,358	65,239	79,108	58,902	76,365	74,907	92,615	93,971
Other, "pricebreak" and over 2/	22,631	18,812	31,820	21,241	35,853	26,155	34,405	31,940	39,899	45,734
Other, under "pricebreak" 2/	23,371	14,849	23,680	52,477	35,478	25,832	31,116	38,308	38,374	42,892
Other, low-fat, under "pricebreak" 2/	10,752	7,025	8,397	11,965	8,616	6,667	4,741	4,981	2,457	4,869
Total Other	56,754	40,686	63,897	85,683	79,947	58,654	70,262	75,229	80,730	93,495
Pecorino	20,621	16,566	22,976	17,215	16,465	17,114	16,728	15,825	20,288	18,400
Roquefort	2,063	1,671	2,543	2,126	1,439	1,392	1,560	1,620	1,471	1,328
Gjetost	413	397	438	454	473	512	517	512	583	483
Bryndza	156	257	322	309	679	400	543	464	490	595
Gammelost and Noekkelost	256	473	748	698	716	628	627	503	727	183
Goya	761	1,039	3	6	41	18	325	781	0	0
Other products										
Butter	3/ 747	628	714	55,574	450	526	562	743	736	809
Butteroil	1,200	1,200	1,200	23,800	1,200	1,200	1,200	1,200	1,200	1,200
Butterfat mixtures	2,398	2,572	2,430	2,565	---	1,828	2,468	2,393	2,757	2,545
Frozen cream	11,062	11,235	12,600	12,540	12,406	12,353	12,964	12,529	14,586	12,315
Evaporated milk	1,236	1,299	94	1,209	1,214	455	28	44	---	1
Condensed milk	1,506	1,670	2,345	1,419	1,393	445	639	767	887	383
Chocolate crumb-Regular	15,260	12,803	9,652	5,624	5,859	2,323	9,246	6,817	10,707	11,651
-Lowfat	15,944	4,185	3,171	176	---	2,086	2,604	2,425	1,346	3,446
Total chocolate crumb	31,204	16,988	12,823	5,800	5,859	4,409	11,850	9,242	12,053	15,097
Ice cream	62,689	2,549	1,375	---	---	---	373	3,187	4,360	2,497
Dried products										
Whole milk	3	10	---	---	17	7	9	1	81	3
Malted milk	1	2	6	13	10	---	2	5	5/	3
Buttermilk	421	355	594	270	137	783	444	179	478	317
Nonfat Dry Milk	1,759	2,136	1,602	266,564	115,065	2,465	1,807	1,825	2,388	2,178
Casein	135,288	105,939	105,401	112,828	112,889	58,444	112,141	144,245	137,134	150,827
Lactose	4,222	1,652	1,540	1,356	1,310	5,501	1,267	3,991	3,112	1,983
Animal feed 4/	27,297	11,812	10,356	15,793	9,009	15,795	12,226	12,815	14,647	15,695
					Million pounds					
Milk equivalent, fat solids basis, total all products	1,878	1,356	1,694	3,859	2,923	1,669	1,943	1,968	2,310	2,305

1/ Preliminary. 2/ Cheese entering under pricebreak subject to quota. Pricebreak of 47 cents changed to $.62 on June 3, 1972; to $.69 on March 15, 1973; to $.72 on August 29, 1973; to $.78 on April 1, 1974; to $.84 on January 16, 1975; to $.86 on April 9, 1975; to $.92 on October 16, 1975; to $.98 on April 14, 1976; to $1.00 on October 19, 1976; to $1.05 on May 5, 1977 to $1.10 on April 1, 1978; to $1.13 on November 2, 1978; to $1.23 on April 1, 1979; and $1.31 on October 1, 1979. 3/ Includes 40,400 pounds not subject to quota. 4/ Containing milk products. 5/ Less than 500 pounds.

absorbed primarily by manufacture of cheese, dry whole milk, and canned condensed milk, while butter and nonfat dry milk production was down slightly from a year ago, when adjusted for leap year.

Intervention stocks of butter were down a fifth from a year ago in May. Continued strength in export demand (despite a sharp drop in shipments to the Soviet Union), as well as a smaller seasonal rise in stocks impacted on the lower holdings of butter. EC intervention stocks of nonfat dry milk were nearly two-thirds under year-earlier levels, due mainly to export demand from non-EC countries. The EC, which previously suspended subsidies on powder used for animal feed, further reduced export refunds on butter and nonfat dry milk during June. As a result, FOB port prices for butter are now $1.25 per pound, and $.62 per pound for nonfat dry milk. The move was apparently in response to the low intervention stock levels and buoyant export demand. The effect over the rest of 1980 will probably be for butter and powder to move into intervention stocks rather than the export pipeline, especially considering recent increases in intervention prices. The increase in intervention stock levels may be less sharp if the reduced supply of dairy products on worldwide export markets causes higher prices, in which case it may be more profitable to export. Whether world dairy product prices increase will also depend on maintenance of current demand strength.

Among other countries, Australian output lagged through March of this year due to drought conditions which have impacted on both cow numbers and milk yield per cow. Through March of the July-June Australian dairy year, milk production was off about 2-1/2 percent from year-earlier levels. Butter-powder production was down substantially, but cheese and whole milk powder manufacture was up. In New Zealand, favorable forage conditions resulted in a substantial late-season year-to-year increase in milk output. For the 1979/80 dairy year just concluded, New Zealand milk production increased by over 6-1/2 percent to a record of nearly 15 billion pounds. Cheese production was up a sixth, while butter-powder output declined markedly. New Zealand casein manufacture was about the same as a year earlier. Meanwhile, Canadian milk production continued to show growth, buoyed by strong domestic demand for cheese.

Table 11.--U.S. Dairy Situation at a Glance

Item	Unit or base period	1978	1979					1980		
		May	Apr.	May	June	July	Year	Apr.	May	June
Production and cow numbers:										
Total milk	Mil. lb.	11,161	10,600	11,226	10,973	10,698	123,623	10,941	11,609	11,409
Milk per cow	Lb.	1,032	985	1,044	1,022	996	11,471	1,015	1,075	1,055
Number of milk cows	Thou.	10,818	10,757	10,750	10,738	10,741	10,777	10,780	10,797	10,812
Prices received by farmers:										
All milk, sold to plants, 100 pounds	Dol.	10.10	11.60	11.50	11.50	11.60	12.00	12.70	12.60	12.50
Percentage of parity 1/	Pct.	.75	.74	.74	.75	.74	.73	.73	.73	.74
Manufacturing grade milk, 100 pounds	Dol.	9.26	10.80	10.80	10.70	10.80	11.10	11.80	11.70	11.70
Parity equivalent	Dol.	12.07	14.01	14.09	14.18	14.18	14.11	15.66	15.75	15.84
Fat content	Pct.	3.60	3.68	3.61	3.55	3.51	3.68	3.68	3.60	3.54
Minnesota-Wisconsin (3.5% fat), 100 pounds	Dol.	9.25	10.63	10.67	10.76	10.87	10.91	11.68	11.66	11.68
Milk eligible for fluid market, 100 pounds	Dol.	10.30	11.80	11.70	11.60	11.80	12.20	12.80	12.70	12.70
Price ratios and dairy ration values:										
Milk-feed 2/	Lb.	1.49	1.56	1.53	1.51	1.43	1.54	1.55	1.53	1.50
Manufacturing grade milk-hog	Lb.	.19	.24	.25	.27	.28	.27	.42	.41	.36
Manufacturing grade milk-beef	Lb.	.18	.15	.15	.16	.16	.17	.20	.19	.19
Value of concentrate ration fed milk cows	Dol.	6.16	6.51	---	---	6.69	6.68	7.03	---	---
Farm cash receipts from dairy products	Mil. dol.	1,116	1,234	1,301	1,258	1,243	14,750	---	---	---
Production of factory products:										
Butter	Mil. lb.	97.6	92.4	99.2	83.0	72.5	984.6	111.1	116.4	---
American cheese, whole milk	Mil. lb.	208.7	192.6	210.5	209.7	193.0	2,187.7	203.6	230.5	---
Cheese, other than American	Mil. lb.	124.2	126.1	130.0	134.1	125.8	1,527.6	129.3	129.1	---
Canned milk, unskimmed	Mil. lb.	82.4	72.2	81.9	80.3	71.9	796.1	68.8	63.9	---
Dry whole milk	Mil. lb.	8.2	9.5	8.3	7.8	6.6	85.3	6.6	5.7	---
Frozen products 3/	Mil. gal.	110.9	97.0	108.5	118.0	117.4	1,152.9	98.3	106.8	---
Creamed cottage cheese	Mil. lb.	80.1	70.0	77.0	73.6	72.2	837.8	71.1	74.6	---
Total whole milk equivalent 4/	Mil. lb.	6,387	5,840	6,414	6,265	5,834	65,839	6,345	6,895	---
Nonfat dry milk, human use	Mil. lb.	103.6	89.8	108.5	112.0	95.4	908.7	112.0	133.4	---
Wholesale prices:										
Butter, Grade A, Chicago, pound	Ct.	106.7	120.7	121.8	121.8	122.7	122.4	134.3	136.9	139.0
Cheese, American (40-pound blocks), f.o.b. Wisconsin assembling points, pound	Ct.	102.6	121.3	121.1	121.8	123.7	123.8	131.4	131.0	130.9
Evaporated milk, case	Dol.	16.29	17.49	17.70	17.89	17.90	17.92	19.64	19.83	19.83
Dry whole milk, pound	Ct.	86.6	98.4	98.8	99.2	101.2	101.4	108.9	108.9	---
Nonfat dry milk, pound	Ct.	71.1	78.8	79.4	79.5	79.7	80.0	87.3	88.7	---
Dairy products (BLS)	1967=100	184.5	207.1	207.9	208.4	209.0	211.2	227.8	228.9	229.9
Retail prices (BLS):										
Consumer price index 5/	1967=100	193.3	211.5	214.1	216.6	218.9	217.4	242.5	244.9	---
All food 5/	1967=100	210.3	232.3	234.3	235.4	236.9	234.5	249.1	250.4	---
All dairy products 5/	1967=100	183.5	202.4	203.8	205.5	206.3	207.1	222.4	226.2	---
Fluid milk and cream	12/77=100	103.7	114.0	114.7	115.7	116.1	116.8	124.7	127.0	---
Whole milk	1967=100	170.1	186.5	188.1	189.4	190.0	191.4	204.9	208.5	---
Other	12/77=100	103.2	114.1	114.3	115.6	116.3	116.4	123.5	125.9	---
Manufactured dairy products	12/77=100	103.7	114.9	115.8	116.8	117.3	117.4	127.0	129.1	---
Butter	1967=100	174.4	196.6	199.4	199.9	200.6	202.9	219.9	222.2	---
Cheese	12/77=100	103.2	115.5	116.3	116.9	117.7	117.7	126.2	127.8	---
Frozen desserts	12/77=100	104.7	114.3	115.2	116.9	117.0	117.0	128.6	131.9	---
Other	12/77=100	103.1	111.9	112.7	114.5	114.5	114.0	124.0	126.1	---
Margarine	1967=100	226.7	236.7	238.8	239.1	240.2	240.3	247.9	246.1	---
Stocks, end of month:										
Creamery butter	Mil. lb.	264.6	218.2	239.7	260.1	258.3	---	234.1	274.9	---
Cheese, total 6/	Mil. lb.	478.2	463.0	504.9	529.6	562.7	---	523.0	553.8	---
Canned milk, unskimmed	Mil. lb.	79.5	68.4	90.4	117.1	134.9	---	88.8	106.1	---
Dry whole milk	Mil. lb.	8.4	5.8	7.1	8.6	8.2	---	4.4	4.8	---
Total whole milk equivalent 7/	Mil. lb.	10,206	9,006	9,912	10,614	10,928	---	9,886	11,074	---
Nonfat dry milk	Mil. lb.	688.1	518.1	524.6	538.3	558.8	---	483.3	507.1	---
Commercial disappearance:										
Creamery butter	Mil. lb.	61.0	70.7	64.2	68.1	72.5	895.0	46.5	55.9	---
Cheese, American	Mil. lb.	185.1	177.2	170.1	194.3	156.2	2,110.9	167.5	174.0	---
Cheese, other than American	Mil. lb.	135.0	141.8	141.5	145.5	141.1	1,730.7	142.1	140.2	---
Canned milk, unskimmed	Mil. lb.	59.5	51.6	58.3	52.4	52.8	773.7	54.9	45.5	---
Milk in all products	Mil. lb.	9,989	9,875	9,954	10,353	10,220	120,372	9,152	9,662	---
Nonfat dry milk	Mil. lb.	44.3	34.6	38.2	44.4	59.2	603.1	21.0	19.9	---
CCC net removals:										
Butter	Mil. lb.	34.6	13.6	26.8	8.1	-1.0	81.6	51.8	60.8	44.5
Cheddar cheese	Mil. lb.	6.0	9/	1.7	2.2	8.3	40.2	23.7	37.7	57.0
Nonfat dry milk	Mil. lb.	51.5	21.3	44.8	49.8	41.4	255.3	59.6	89.7	103.1
Evaporated milk	Mil. lb.	1.3	1.9	1.7	1.1	1.5	16.4	1.5	1.2	1.0
Total whole milk equivalent	Mil. lb.	777	285	574	192	65	2,119	1,306	1,630	1,483
Fluid sales, change from year earlier: 8/										
Whole milk	Pct.	-2.5	-3.9	-3.5	- .9	-2.2	-2.9	-4.2	---	---
Low-fat and skim milk	Pct.	+6.0	+3.3	+3.5	+3.6	+3.8	+4.4	+3.7	---	---
Total fluid milk	Pct.	+ .6	-1.2	- .9	+ .9	+ .1	- .2	- .9	---	---
Cream and cream mixtures	Pct.	+1.8	- .2	- .4	0	+ .4	+1.3	N.A.	---	---

1/ Seasonally adjusted prices as percentage of parity price.
2/ Different series than formerly published.
3/ Ice cream, ice milk, and sherbet.
4/ Includes manufactured products for which current monthly series are available.
5/ For all urban consumers starting January 1978.
6/ Natural, plus process American cheese held by CCC.
7/ Excludes cream and bulk condensed milk.
8/ Daily average sales in Federal and State Marketing areas.
9/ Less than 50,000 pounds.
N.A. Not Available

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